



Immersion and Siemens VDO Partner on Automotive Haptic Technology

SAN JOSE, Calif., Jul 29, 2002 -- Immersion Corp. (Nasdaq:IMMR), a leading developer and licensor of haptic feedback technology, and Siemens VDO Automotive, one of the world's leading suppliers of electronics, electrical products and mechatronics to the automotive industry, announced the signing of a multi-year non-exclusive licensing agreement for haptic technology. The term "haptics" refers to the science of touch, more commonly known as "force feedback." With this technology, drivers can manage comfort and convenience features such as radio, climate control, navigation, and communications through their sense of touch. More importantly, it gives drivers an alternative to relying solely on visual cues to control these features while driving. Under the terms of the agreement, Immersion grants Siemens VDO a worldwide license for haptic technology used in certain push-turn programmable rotary controllers.

"Working with Immersion enables us to add the most modern haptic technology to leading information systems," said Dr. Heinrich-Jochen Blume, director Development for Information Systems Passenger Cars at Siemens VDO Automotive. "As onboard infotainment systems add complexity to automotive interiors it is becoming imperative for manufacturers to find new, more intuitive ways for drivers to interface with these systems. Haptic technology is being accepted by the industry as a solution to more effectively manage these capabilities."

"Our partnership with Siemens VDO is a step forward in the adoption of haptics. It demonstrates a growing need in the automotive sector to improve the automotive interface with new intuitive technologies," said Patrick Reutens, Immersion's vice president of strategic relationships and legal affairs. "It's an indication that haptics is becoming a valuable market differentiator, which will ultimately become standard in many new vehicles."

About Siemens VDO

Siemens VDO Automotive is one of the world's leading suppliers of electronics, electrical products and mechatronics to the automotive industry with worldwide sales in fiscal year 2000/2001 (30 September 2001) totaling EUR 5.7 billion. As development partner of the automotive industry, the company manufactures products for powertrain, engine control electronics and fuel injection technology which improve engine performance and reduce emissions. Core products include information and car communication systems with instrumentation, audio and navigation terminals, telematics and multimedia applications right through to complete cockpits provide increased ride comfort and ease of operation. Siemens VDO Automotive products for chassis and car body such as airbag, ABS and fuel tank systems or access control systems contribute to greater safety and security. A separate Trading division markets products for retrofitting in cars and commercial vehicles, with a focus on fleet management and audio and navigation systems.

About Immersion (www.immersion.com)

Founded in 1993, Immersion Corp. is a recognized leader in developing, licensing and marketing haptic technology and products. Bringing value to markets where user/product interaction needs to be made more compelling, safer or productive, Immersion helps its partners develop and increase competitive advantage and broaden market reach by making the use of touch sense feedback as critical a user experience as sight and sound. Immersion's technology is deployed across personal computing, entertainment, medical training, automotive and three-dimensional simulation markets. Immersion and its wholly owned subsidiaries hold over 170 issued patents worldwide.

Statements made in this media alert other than statements of historical fact are forward-looking statements, including those that reflect management's current forecast of certain aspects of Immersion's future. Forward-looking statements made in this press release are based on current information, which we have assessed but which by its nature is dynamic and subject to rapid and even abrupt changes. Forward-looking statements include statements regarding Immersion's strategic development and position within the haptic economy. Immersion's actual results might differ materially from those stated or implied by such forward-looking statements due to risks and uncertainties associated with Immersion's business which include, but are not limited to, delay in or failure to achieve commercial demand for Immersion's touch-enabled technology products or a delay in or failure to achieve the acceptance of touch sense feedback as a critical user experience.

Risks and uncertainties related to Immersion's business in addition to those described above are further outlined in Immersion's Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q. These reports are filed with the Securities and Exchange Commission. These factors may not constitute all of the factors that could cause actual results to differ materially from those discussed in any forward-looking statement. Immersion is not obligated to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this medial alert.

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